

Security Information
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Chief, General Services

20 February 1952

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Survey of Shipping and Procurement Procedures.

A. Problem: To analyze procurement and shipment procedures in connection with overseas shipments and to determine wisdom of present organizational division between Shipping Branch (Administrative Service) and Procurement Office.

B. Facts:

1. Procurement by "letter order" from G-4:

a. In three month period (15 October 1951 through 15 January 1952) shipments through Department of Defense were as follows:

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Procurement Office estimates that material ordered, or to be ordered, from the Department of the Army and material handled in transit at Army Depot, and which will be shipped within the next four months, will total about

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- b. Procedure: P.O. receives requisition and cargo request from the Operating Branch and forwards a copy of each to Shipping Branch, which sets up folder. Letter Order is made up by P.O. and sent to G-4 (one copy going to Shipping Branch). G-4 obtains and assembles items and marks according to instructions furnished on Letter Order. In a majority of cases P.O. is able to supply markings without consulting Shipping Branch.** G-4 sends copies of Shipping Documents (white) when material is moved from depot to port and copies (pink) when material is sent overseas.
- c. Upon completion of above-described procurement and shipment arrangements P.O. sends copies of the Shipping Documents, both white and pink, to Shipping Branch. One requisition to G-4 may involve dozens of shipments (and dozens of pink and white Shipping Documents). Shipping Branch completes its folder.

2. Shipment through Warehouse:

- a. In three month period (15 October 1951 through 15 January, 1952) shipments through Procurement Warehouse were as follows:

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- b. Procedure: Operating Branch forwards requisition and cargo request to P.O., which begins procurement (when necessary) and sets up Purchase Order folders and a cargo control folder. P.O. sends copies of requisition and cargo request to Shipping Branch, which sets up folder and records on status log. Shipping Branch forwards copy of cargo request to Warehouse. Warehouse notifies both Cargo Control Group and Shipping Branch on each of the following occasions:
- (1) When warehouse receives material (Form No. 36-85, yellow).
 - (2) When material is packed (Form No. 36-85, green).
 - (3) When material is shipped (Form No. 36-85, pink).

**Procurement Office has discontinued the previous practice of forwarding request for markings from G-4 to Shipping Branch, which obtained markings and forwarded to P.O., which in turn forwarded to G-4.

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Shipping Branch sends copies of Form No. 36-85 (yellow) to the overseas destination, arranges channel of shipment, and notifies Warehouse of cargo markings. On receipt of confirmation from Warehouse as to packing (36-85, green) and shipping (36-85, pink), copies of pink are sent overseas and to the Operating Branch.

3. Shipment of household goods and personal effects:

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- a. [REDACTED] is presently set-up to handle coordination of travel orders and shipment of household goods and personal effects. Many cases requiring non-routine information, however, are referred to Shipping Branch, which conducts the interview.

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b. Procedure:



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1. One contact point: Operating Branches presently find it necessary to contact both Shipping Branch and Procurement Office to obtain status of requisitions. Transfer of Shipping Branch to P.O. would allow [REDACTED] to follow-up both procurement and shipping and serve as a single source of information for the Operating Branches.

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2. Eliminate duplication: At the present time Shipping Branch must maintain records that duplicate those used by [REDACTED] P.O. Transfer of shipping to P.O. would result in the shipping function and control function being fused into a single branch (Traffic). It would not be necessary to maintain two sets of files for shipping and control purposes. Coordination would result in elimination of duplicate files and associated filing labor.

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3. Tonnage projections: At the present time P.O. is not attempting to project future tonnage requirements to [REDACTED] other available shipment sources. Tonnage projections are considered necessary for the following reasons:

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- a. economy - P.O. will soon be working in tonnages that would warrant contracting for entire "bottoms". An entire ship is less expensive than smaller cubic footages on several ships.
- b. speed - At the present time space is generally available on "loading" ships. In the event shipping becomes tight, advance arrangements would have to be made for space or several weeks delay would result.
- c. warehousing - Allows advance planning as to required storage and packing arrangements.

Tonnage projections would require coordination with procurement, storage, packing, and shipping.

4. Continuity: Tonnage projections are valuable only if they serve as a basis for shipping arrangements. Shipping arrangements cannot be made in advance without intimate knowledge of procurement possibilities. Procurement cannot be planned without assurance shipping will be available. Tonnage projections will require close association between shipping and procurement activities. Under present arrangements no single office has the comprehensive knowledge necessary to carry an Operating Branch request through to its completion. No single office has been given the authority to be responsible when an Operating Branch asks why a field station hasn't received the items requested.

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Transfer of shipping functions to Procurement Office would place full responsibility for completion of action on a single office. [REDACTED] under this arrangement, would have the necessary information and the responsibility to follow-up on both procurement and shipping. P.O. would then be accountable for all aspects of logistical support; namely, procurement, storage, issue, packing, shipping, and property accountability.

D. Recommendations:

1. It is recommended that the functions, responsibilities and personnel pertaining to shipment of supplies and equipment overseas, which are now being performed by the Shipping Branch, Transportation Division, Administrative Service, be transferred to the Procurement Office.
2. It is recommended that the responsibility for shipment of household goods and personal effects be transferred to the Procurement Office in order to fully integrate responsibility for overseas shipments. It is suggested that transfer of this function be delayed until C.P.U. staffing includes an individual fully trained in handling non-routine briefing of agents or their authorized representatives.
3. It is recommended that both the shipping and procurement functions be located in close physical proximity.

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